

The Honorable Marsha J. Pechman

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION,

No. C07-00186-MJP

Plaintiff,
v.

CONSENT DECREE AND [PROPOSED] ORDER DISMISSING ACTION

1ST HAND MORTGAGE, INC.

Defendant.

I. INTRODUCTION

1. This action originated with a discrimination charge filed by Deborah Stedman (“Charging Party”) with the Equal Employment Opportunity Commission. The Charging Party alleged 1st Hand Mortgage, Inc. (“1st Hand Mortgage”) discriminated against her on the basis of sex by subjecting her to sexual harassment and constructive discharge, in violation of Title VII of the Civil Rights Act of 1964, as amended (“Title VII”), 42 U.S.C. § 2000e et seq. The Defendant, 1st Hand Mortgage, denies all of the allegations.

2. On August 29, 2006, the EEOC issued a letter of determination with a finding of reasonable cause to believe that 1st Hand Mortgage violated Title VII by subjecting Stedman to a

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1 hostile work environment because of her sex, for failing to take actions to correct the sexual
2 harassment, and for constructively discharging her from her position.

3 3. The Commission filed its complaint on August 1, 2007 in the United States District
4 Court for the Western District of Washington.

5 4. The parties want to conclude fully and finally all claims arising out of the charge of
6 discrimination filed with EEOC by Deborah Stedman, the EEOC's Letter of Determination, and
7 the EEOC's complaint. The EEOC and 1st Hand Mortgage enter into this consent decree to
8 further the objectives of equal employment as set forth in Title VII and Washington state law.

10 II. NONADMISSION OF LIABILITY

11 5. This Consent Decree is not an adjudication or finding on the merits of this case and
12 shall not be construed as an admission by Defendant.

13 III. JURISDICTION AND VENUE

14 6. Jurisdiction of this Court is invoked pursuant to 28 U.S.C. §§ 451, 1331, 1337, 1343
15 and 1345. This action is authorized pursuant to Sections 706(f) (1) and (3) of Title VII of the
16 Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000e-5(f) (1) and (3), and Section 102 of
17 the Civil Rights Act of 1991, 42 U.S.C. § 1981a. The parties agree that the alleged acts took
18 place within the jurisdiction of the United States District Court for the Western District of
19 Washington.

20 IV. SETTLEMENT SCOPE

21 7. This Consent Decree is the final and complete resolution of all allegations of unlawful
22 employment practices contained in the Charging Party's charge of discrimination, in the EEOC's
23 administrative determinations, and in the complaint filed herein.

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V. MONETARY RELIEF

10. In settlement of this lawsuit, 1st Hand Mortgage agrees to pay the following sum to Deborah Stedman: \$60,000, less applicable withholding required by law. Payment shall be made to Ms. Stedman within fifteen (15) days of entry of the Consent Decree and execution by Ms. Stedman of the Final Settlement Agreement and Release of Claims, to which the EEOC is not a party or signatory.

VI. AFFIRMATIVE AND OTHER RELIEF

A. General Provisions

11. 1st Hand Mortgage, its officers, agents, and employees shall not engage in practices which unlawfully discriminate against applicants or employees on the basis of sex. In recognition of its obligations under Title VII, 1st Hand Mortgage shall institute the policies and practices set forth below.

12. 1st Hand Mortgage is enjoined from retaliating against any applicant or employee for opposing a practice deemed unlawful by Title VII or for making a charge, testifying, assisting, or participating in any investigation, proceeding, or hearing associated with this action.

B. Anti-Discrimination Policies and Procedures

13. 1st Hand Mortgage shall carry out anti-discrimination policies, procedures and training for employees, supervisors and management personnel, and it will provide equal employment opportunities for all employees. As an ongoing commitment to Equal Employment Opportunity (“EEO”), 1st Hand Mortgage will take steps to ensure that its managers and supervisors fully understand its EEO policies and how those policies define and identify what constitutes employment discrimination.

14. Within sixty (60) days of the date of the effective date of this Consent Decree, 1st Hand Mortgage will: (a) draft an EEO policy to ensure that it adequately prohibits discrimination against applicants and/or employees on the basis of sex with respect to any term, condition or privilege of employment, and addresses 1st Hand Mortgage's obligation to provide a discrimination-free work environment for its employees; and (b) distribute, to the extent not already done, a written copy of its EEO policy to all employees, both management and non-management. 1st Hand Mortgage will provide EEOC with a written copy of its EEO policy as part of its first semi-annual report as provided in paragraph 21 below.

C. Training

15. Within ninety (90) days of the execution of this Consent Decree, and annually thereafter, 1st Hand Mortgage will present to all managers and supervisors four (4) hours of training on employment discrimination, including sexual harassment. Each training session will also emphasize its obligations under this consent decree. The EEOC will have an opportunity to review the training materials prior to the training date. Non-management employees who participate in personnel decisions, including termination, must also attend these training sessions.

16. 1st Hand Mortgage will notify the EEOC of the completion of the training and will specify the names and job titles of the employees who completed the training as part of its semi-annual reporting to the EEOC.

D. Expungement of Records

17. 1st Hand Mortgage is enjoined from disclosing any information or making references to any charge of discrimination or this lawsuit in responding to requests for information about Stedman, except as compelled by court order.

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1 E. Policies Designed to Promote Supervisor Accountability

2 18. 1st Hand Mortgage shall impose substantial discipline -- up to and including, but
3 not limited to, termination of employment, suspension without pay or demotion -- upon any
4 supervisor or manager who it determines has discriminated against any applicant or employee on
5 the basis of sex, or who retaliates against any person who complains or participates in any
6 investigation or proceeding concerning any such conduct. 1st Hand Mortgage shall
7 communicate this policy to all of its supervisors and managers.

8 19. 1st Hand Mortgage shall advise all managers and supervisors of their duty to
9 actively monitor their work areas to ensure employees' compliance with the company's EEO
10 policy, and to report any incidents or complaints of discrimination or retaliation of which they
11 become aware.

12 F. Reporting

13 20. 1st Hand Mortgage shall report in writing to the legal unit of the EEOC on an
14 annual basis, beginning one year from the date of the entry of this decree, and thereafter every
15 twelve (12) months for the duration of the decree the following information:

- 16 a. Certification of the completion of four (4) hours of training for managers,
17 supervisors, and non-management employees who participate in the promotion or
18 hiring process, along with lists of attendees;
- 19 b. Certification that its EEO policy has been distributed to all current and newly
20 hired employees;
- 21 c. A list of any changes, modifications, revocations or revisions to its EEO policies
22 and procedures which concern or affect the subject of discrimination; and
- 23 d. A summary of internal formal discrimination complaints, if any, filed by
24 employees working at 1st Hand Mortgage and the resolution of each such
25 complaint;

1 G. Posting

2 21. 1st Hand Mortgage will post a Notice, attached as Exhibit 1 to this Consent Decree.
3 The Notice shall be posted on a centrally located bulletin board or other place where such
4 notices are normally posted and read by employees for the duration of the consent decree.

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6 VII. ENFORCEMENT

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8 22. If the EEOC determines that 1st Hand Mortgage has not complied with the terms of
9 this consent decree, the EEOC will provide written notification of the alleged breach to the
10 company. The EEOC will not petition the court for enforcement of this consent decree for at
11 least thirty (30) days after providing written notification of the alleged breach. The 30-day
12 period following the written notice shall be used by the parties for good faith efforts to resolve
13 the dispute.

14

15 VIII. RETENTION OF JURISDICTION

16 23. The United States District Court for the Western District of Washington shall retain
17 jurisdiction over this matter for the duration of this consent decree.

18 IX. DURATION AND TERMINATION

19 24. This consent decree shall be in effect for two and one half (2.5) years beginning
20 from the date this consent decree is entered by this Court. If the EEOC petitions the court for
21 breach of this consent decree, and the court finds 1st Hand Mortgage to be in violation of its
22 terms, the court may extend the duration of this consent decree.

1 X. CONCLUSION

2 25. The parties are not bound by any provision of this decree until it is signed by
3 authorized representatives of each party and entered by the court.

4 Dated this 5th day of December, 2007.
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